

AMENDMENT TO RULES COMMITTEE PRINT 118-

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OFFERED BY MR. BURGESS OF TEXAS

At the end of subtitle A of title X, insert the following:

1 **SEC. 10___. DEPARTMENT OF DEFENSE SPENDING REDUC-**
2 **TIONS IN THE ABSENCE OF AN UNQUALIFIED**
3 **AUDIT OPINION.**

4 (a) FINDINGS.—

5 (1) The Pentagon failed its 5th consecutive
6 Audit in November 2022.

7 (2) Upon failure of this audit, the DoD was un-
8 able to account for hundreds of billions of dollars,
9 accounting for 61 percent of its \$3.5 trillion in as-
10 sets.

11 (b) SENSE OF CONGRESS.—It is the sense of Con-
12 gress that—

13 (1) as the overall defense budget is cut, the
14 congressional defense committees and the Depart-
15 ment of Defense should not endanger the Armed
16 Forces by reducing wounded warrior accounts or
17 vital protection (such as body armor) for members
18 of the Armed Forces serving in harm's way;

1 (2) the valuation of legacy assets by the De-
2 partment of Defense should be simplified without
3 compromising essential controls or generally accept-
4 ed government auditing standards; and

5 (3) nothing in this Act should be construed to
6 require or permit the declassification of accounting
7 details about classified defense programs, and, as re-
8 quired by law, the Department of Defense should en-
9 sure financial accountability in such programs using
10 proven practices, including using auditors with secu-
11 rity clearances.

12 (c) DEPARTMENT OF DEFENSE SPENDING REDUC-
13 TIONS IN THE ABSENCE OF AN UNQUALIFIED AUDIT
14 OPINION.—

15 (1) IN GENERAL.—

16 (A) REDUCTIONS.—If, during any fiscal
17 year after fiscal year 2022, the Comptroller of
18 the Department of Defense fails to certify to
19 Congress that a department, agency, or other
20 element of the Department of Defense has
21 achieved an unqualified opinion on its full fi-
22 nancial statements, the amount available for
23 such department, agency, or element shall be
24 reduced—

1 (i) for the fiscal year during which
2 such determination is made, by an amount
3 equal to 0.5 percent; and

4 (ii) for any subsequent fiscal year dur-
5 ing which such determination is made, by
6 an amount equal to 1.0 percent.

7 (B) APPLICATION OF REDUCTIONS.—For
8 any fiscal year for which a reduction is made
9 pursuant to subparagraph (A) for a depart-
10 ment, agency, or element, the amount of the re-
11 duction shall be applied on a pro rata basis
12 against each program, project, and activity of
13 such department, agency, or element for that
14 fiscal year.

15 (C) USE OF REDUCED AMOUNTS.—The
16 amount of any reduction made under subpara-
17 graph (A) shall be deposited in the General
18 Fund of the Treasury and shall be available for
19 purposes of deficit reduction.

20 (2) ACCOUNTS EXCLUDED.—The following ac-
21 counts are excluded from any reductions under para-
22 graph (1):

23 (A) Military personnel, reserve personnel,
24 and National Guard personnel accounts of the
25 Department of Defense.

1 (B) The Defense Health Program account
2 of the Department of Defense.

3 (3) WAIVER.—The President may waive para-
4 graph (1) with respect to an account if the Presi-
5 dent—

6 (A) certifies that the application of such
7 subsection to that account would—

8 (i) negatively affect the national secu-
9 rity of the United States or members of
10 the Armed Forces who are deployed in
11 combat zones; or

12 (ii) affect the Defense Health Pro-
13 gram account; and

14 (B) submits to the Committee on Appro-
15 priations and the Committee on the Budget of
16 the House of Representatives and the Com-
17 mittee on Appropriations and the Committee on
18 the Budget of the Senate a report on such
19 waiver that includes a description of the specific
20 activities that would be affected and why such
21 activities are essential to the national security
22 of the United States.

23 (4) REPORT.—Not later than 60 days after a
24 reduction takes effect under paragraph (1), the Di-
25 rector of the Office of Management and Budget

1 shall submit to Congress a report specifying each de-
2 partment, agency, or other element of the Depart-
3 ment of Defense subject to reduction and the
4 amount of the reduction.

5 (5) DEFINITIONS.—In this section:

6 (A) The terms “financial statement” and
7 “external independent auditor” have the mean-
8 ings given those terms in section 3521(e) of
9 title 31, United States Code.

10 (B) The term “unqualified”, with respect
11 to the audit status of a financial statement, in-
12 cludes the characterizations clean and unmodi-
13 fied.

